



U.S. Department of Justice

Criminal Division

4:48 P.M.

Washington, D.C. 20530

January 5, 1999

Via Hand Delivery

Lois Lerner, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
6th Floor
Washington, D.C.

Pre-MUR 358

Re: Future Tech International and Juan Ortiz

Dear Lois:

Per your conversation with Mike Savage, I am enclosing copies of the informations, plea agreements, and factual resumes relating to both Future Tech International and Juan Ortiz. FTI entered its guilty plea on December 21, 1998, and sentencing is scheduled for February 9, 1999. Ortiz pled guilty today, and his sentencing is set for March 23, 1999.

I broached the issue of a global resolution including the FEC today with Ortiz' lawyer, and he expressed a desire to work something out. As you know from your discussions with Mike, FTI also wishes to pursue this possibility.

If you have any questions, please give us a call. If we don't speak before Mike returns to DC for Thursday, we'll call you then. You can reach me at the Task Force at 514-2995 or Mike at 514-3355.

Sincerely,

Kevin M. Kelcourse
Kevin M. Kelcourse
Trial Attorney

Enclosures

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

vs.

FUTURE TECH INTERNATIONAL, INC.,
Defendant

§
§
§
§
§
§
§

CRIMINAL NO. 92-11199

VIOLATIONS:

26 U.S.C. § 7201
(TAX EVASION)

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

COUNT ONE

On or about the 20th day of September, 1995, in the Southern District of Florida and elsewhere, FUTURE TECH INTERNATIONAL, INC., a Florida corporation, did willfully attempt to evade and defeat a substantial part of the income tax due and owing by the said corporation to the United States of America for the calendar year 1994, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Corporation Income Tax Return, Form 1120, which was filed with the Internal Revenue Service on behalf of said corporation, wherein it was reported a false salaries and wages deduction and a false charitable contributions deduction for the said corporation for the said calendar year, whereas, as it then and there well knew and believed, the salaries and wages deduction was overstated by approximately \$9,205, an amount which represented reimbursements to employees for conduit campaign

contributions, and the charitable contributions deduction was overstated by \$100,000, an amount which represented political contributions to the Democratic National Committee, and that as a result of the false deductions a substantial tax was due and owing to the United States of America.

In violation of Title 26, United States Code, Section 7201.

COUNT TWO

On or about the 29th day of April, 1996, in the Southern District of Florida and elsewhere, FUTURE TECH INTERNATIONAL, INC., a Florida corporation, did willfully attempt to evade and defeat a substantial part of the income tax due and owing by the said corporation to the United States of America for the calendar year 1995, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Corporation Income Tax Return, Form 1120, which was filed with the Internal Revenue Service on behalf of said corporation, wherein it was reported a false salaries and wages deduction for the said corporation for the said calendar year, whereas, as it then and there well knew and believed, the salaries and wages deduction was overstated by approximately \$25,828, an amount which represented reimbursements to employees for conduit campaign contributions, and that as a result of the false deductions a substantial tax was due and owing to the United States of America.

In violation of Title 26, United States Code section 7201.

WILMA A. LEWIS
United States Attorney
District of Columbia



Michael E. Savage
Kenneth M. Breen
Kevin M. Kelcourse
Trial Attorneys
U.S. Department of Justice
Campaign Financing Task Force
1001 G Street, NW
Washington, D.C. 20001
(202) 307-0655

December 17th, 1998

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	§	
	§	
vs.	§	CRIMINAL NO.
	§	
FUTURE TECH INTERNATIONAL, INC.	§	
Defendant	§	

**PLEA AGREEMENT BETWEEN
FUTURE TECH INTERNATIONAL, INC.
AND THE UNITED STATES OF AMERICA**

The United States of America, by and through the United States Department of Justice and FUTURE TECH INTERNATIONAL, INC. ("FTI" or "Defendant"), through its counsel of record, Eric W. Bloom, in compliance with Rule 11(e) of the Federal Rules of Criminal Procedure, hereby acknowledges and agrees as follows:

I.

FTI AGREES:

A. PLEAD GUILTY TO COUNTS 1 AND 2 OF THE INFORMATION: To enter pleas of guilty to Counts 1 and 2 of the Information to be filed in the United States District Court for the District of Columbia, charging it with violations of Title 26, United States Code, Section 7201 (evasion of taxes) by unlawfully deducting its payroll reimbursements of campaign contributions in 1994 and 1995 and \$100,000 in contributions to the Democratic National Party in 1994. FTI states that its attorney has carefully reviewed the Information

with those persons designated by law and its bylaws to act on its behalf (hereinafter "designated employees"). The Information is incorporated by reference herein.

B. FACTUAL RESUME: FTI will execute a factual resume that will include a description of the facts which give rise to the charged evasion of taxes, as well as its participation in illegal campaign contributions. The factual resume will admit all the elements of the charged offenses and include FTI's acknowledgment that it fully and accurately describes its offenses and is true in all respects. Prior to the entry of FTI's pleas before the court, the FTI officer who will enter pleas on behalf of FTI will make himself available in the government's offices in Washington, D.C. for a proffer of the information which will support the corporation's plea. The officer selected by FTI to enter its pleas will either have personal knowledge of the corporation's acts which constitute a violation of the law or have conducted an investigation from which he has ascertained such facts. During this proffer, FTI's officer will affirm the accuracy of the factual resume and the willful intent of the corporation to violate the law, and identify the source of his knowledge of the corporation's acts and intent. The factual resume will be filed in court with the plea agreement and

may be later used by the probation officer and court to determine an appropriate sentence under the Sentencing Guidelines or for whatever other purposes the probation officer and court may deem appropriate. FTI also consents to disclosure of the factual resume to the Internal Revenue Service ("IRS") and the Federal Election Commission ("FEC") for their use in assessing taxes and civil penalties.

C. ELEMENTS UNDERSTOOD AND ADMITTED: Defendant states that its attorney has fully discussed the facts of this case with its designated employees as well as the elements of the offense, summaries of which are filed herewith. Defendant confesses that it has in fact violated each and every element of the offenses to which it is pleading guilty and admits that there is a factual basis for these guilty pleas. Defendant knowingly, voluntarily and truthfully admits the undisputed facts set forth in the factual resume.

D. WAIVER OF INDICTMENT AND VENUE: FTI understands that it has the right to require that the government's case in a felony offense be presented to a grand jury for indictment. FTI understands that Counts 1 and 2 of the Information are felony offenses. FTI also understands that it could object to the filing of the Information

in the District of Columbia and that it could require the government to bring these charges in the Southern District of Florida or elsewhere. By pleading guilty to the Information, therefore, FTI waives the right to grand jury indictment as well as its objection to venue in the District of Columbia.

E. WAIVER OF RIGHT TO BE PROVIDED WITH EXCULPATORY, IMPEACHMENT, AND AFFIRMATIVE DEFENSE MATERIAL: Defendant understands that if it were indicted, the Government would be required to turn over to its attorney any information in its custody that tends to establish Defendant's innocence. Furthermore, Defendant understands that if this case proceeded to trial, the Government would be required to provide impeachment information relating to any Government witnesses. In addition, if Defendant raised an affirmative defense, the Government would be required to provide information in its possession that supports such a defense. In return for the Government's promises set forth in this agreement, Defendant waives its right to this information, and agrees not to attempt to withdraw its guilty pleas or to file a collateral attack based on the existence of such information.

F. MAXIMUM PENALTY: FTI understands that the maximum penalty for the criminal violations to which it is pleading guilty to pursuant

to this agreement is a \$500,000 fine for each offense (a total of \$1 million), the costs of prosecution, a period of probation, restitution, and special assessments of \$100 for each count (a total of \$200).

G. AGREEMENT TO PAY FINE AND COSTS: FTI agrees to pay \$1,000,200 to the United States by certified check made payable to the United States District Court Clerk at the time its plea is entered. This amount will be applied to pay fines, the costs of the government's investigation and prosecution, and the special assessments. Any civil penalties and/or assessments, including taxes, interest and penalties, are not a part of this agreement and will be in addition to this amount.

H. RESTITUTION: FTI agrees to pay restitution to any victims of its offenses as ordered by the Court, regardless of whether such offenses which give rise to such restitution are charged in the Information.

I. CIVIL PENALTY RESERVE FUND: FTI hereby notifies the government of FTI's ongoing discussions and negotiations with a certain other corporation to sell thereto substantially all of the assets of FTI (the "Sale Transaction"). Contemporaneous with the financial closing of the Sale Transaction, and in connection with

the receipt of any proceeds derived therefrom, FTI will place the sum of at least \$³7 million in an escrow fund held by an independent third party from which civil assessments, interest, and penalties arising from FTI's offenses and relevant conduct, if any, may be paid. FTI will maintain this escrow fund in a financial institution in the United States. The terms of the escrow fund will require the written permission of an authorized representative of the United States before the balance of the fund can be reduced below \$³7 million. FTI will also establish a liquidating trust in connection with the Sale Transaction for the purpose of winding up the affairs of FTI. Any and all proceeds received in connection with the Sale Transaction shall be deposited immediately into the liquidating trust and distributed only pursuant to the terms thereof. To the maximum extent permitted by applicable law, the government shall have priority with respect to any payments from the liquidating trust as assurance of payment for any civil assessments, interests, and penalties arising from FTI's relevant conduct. The government and FTI mutually shall agree upon the trustees of the liquidating trust, the corpus of which shall at all times be maintained in the United States. Whether or not the Sale Transaction is successfully completed, FTI agrees that it will.

enter into no agreement or transaction which will impair its ability to establish the escrow fund or the liquidating trust or to comply with each and every promise made herein.

J. COOPERATION: FTI agrees to fully, completely and honestly cooperate with the United States in its investigation of tax and campaign financing violations and other crimes by making its employees available for interviews, subject to the agreement of the individuals and their counsel, with agents of the Departments of Justice and Treasury or other law enforcement and administrative agencies and testimony before federal or state grand juries and during the trial of any persons or entities of this or any related investigation. In addition, FTI agrees to the following:

1. FTI will provide to the government whatever non-privileged documents it has in its possession or control pertaining to the government's investigation. The government agrees that FTI's production of documents in compliance with outstanding grand jury subpoenas will be suspended so long as it voluntarily and fully complies with the government's requests for documents and all other provisions of this plea agreement.

2. Before entering its pleas, FTI will execute a limited written waiver of its attorney-client privileges and agrees to produce attorney-client privileged communications and work product of and by its in-house general counsel relating to the government's investigation as defined in Appendix A or of any document prepared or used in furtherance of any obstruction or attempted obstruction of the government's investigation. The government acknowledges that while FTI may waive its right to assert the work-product privilege, its lawyers may also assert a work-product privilege. In the event FTI's lawyers assert a work-product privilege as to any document in FTI's possession, FTI counsel Winston & Strawn or other FTI counsel will retain the originals of such documents. Thereafter, the government may seek the court's order compelling production of such documents. FTI will cooperate in such litigation. Nothing in this agreement, however, shall be construed as a blanket waiver of all FTI's privileges. The parties shall negotiate the specific terms of the waiver in a separate document after consultation with their counsel, but before FTI's entry of its pleas.

3. FTI consents to the government's release of information

obtained by the grand jury to the IRS and FEC for their use in assessing taxes dues and applicable fines and penalties.

4. Upon the request of the government, FTI will enter into additional factual stipulations concerning its relevant conduct which may be disclosed to the court, probation officer, IRS, FEC, or other state or federal agency with the need for such information. FTI will also provide additional information and/or documents relating to its offenses and any relevant conduct upon the request of the probation officer, or any agent of the IRS or FEC.

K. SENTENCING GUIDELINES: FTI is aware that its sentence will be imposed in accordance with the United States Sentencing Commission's Guidelines and Policy Statements, particularly Chapter 8. FTI nonetheless acknowledges and agrees that the Court has jurisdiction and authority to impose any sentence within the statutory maximum set for this offense. Defendant states that its counsel has discussed the Sentencing Guidelines with its designated employees. Defendant understands that its Guideline range cannot be determined until a presentence report has been prepared by the U.S. Probation Office and the parties have had an opportunity to review and challenge the presentence report. Defendant also

understands that, under some circumstances, the Court may "depart" from the Sentencing Guidelines and impose a sentence more or less severe than that called for under the Guidelines, up to the statutory maximum. FTI will not oppose the government's motion for an upward departure for the purpose of enhancing any fine to the agreed amount of \$1 million. Prior to the entry of its plea, FTI will stipulate to the approximate amount of loss caused by its charged and relevant conduct.

~~L. WAIVER OF APPEAL: FTI is aware that Title 18, United States Code, Section 3742, affords it the right to appeal its sentence. Knowing that, FTI waives its right to appeal any issue, save and except, issues related to the application of the Sentencing Guidelines by the Court in sentencing FTI or the basis for any upward departure, if any, which the Court might impose in sentencing. In agreeing to this waiver, FTI is aware that its sentence has not yet been determined by the Court. Realizing the uncertainty, as described above, in estimating what sentence FTI will ultimately receive, FTI knowingly waives its right to appeal all issues, save and except, those issues specifically identified herein, in exchange for the concessions made by the Government in this agreement.~~

M. AMENDED TAX RETURNS: Defendant also agrees that, prior to December 31, 1998, it will file amended corporate income tax returns for the 1994, 1995 and 1996 tax years. The government will agree to extend this filing date if FTI shows good cause for such an extension. Defendant agrees that it will correctly report all previously unreported income and correct any misinformation or inaccurate reporting of income and deductions. Defendant recognizes and agrees that nothing in this agreement shall be construed to foreclose the IRS from examining any amended returns filed by it and from making adjustments to those returns after they are filed. Defendant agrees that any false items which are not corrected by FTI or any new false items may result in further criminal investigation by the government, notwithstanding this agreement. Defendant will cooperate with the IRS in the assessment of its taxes and applicable penalties. Neither the criminal disposition of this case nor the provisions of this plea agreement, including the establishment of the escrow fund, shall be interpreted as limiting the assessment of taxes or penalties against FTI.

II.

THE UNITED STATES AGREES:

A. FORBEARANCE: Not to charge FTI with any other criminal violations arising directly or indirectly from this investigation, excepting crimes of violence. In addition, the United States Department of Justice will forebear prosecution of those persons listed in Appendix A of this agreement for those specific offenses described in Appendix A. The parties expressly acknowledge that the August 18, 1998 letter agreement between the Campaign Financing Task Force and FTI and Schedule A thereto, though executed by the parties, was not implemented and has been rescinded in all respects. Appendix A to this plea agreement will not be attached hereto, but will be filed separately with the Court under seal and made available to the Probation Officer.

B. TO MAKE ANY COOPERATION BY FTI KNOWN TO THE COURT: The United States will make known to the Court the cooperation of Defendant and its employees in its ongoing investigation. The United States agrees that FTI's acceptance of responsibility, thus far, has allowed the government to allocate its resources efficiently.

III.
ALL PARTIES AGREE:

A. PERJURED OR FALSE STATEMENTS: That this agreement contemplates the full and honest cooperation of FTI and its employees at all times, and that this agreement does not immunize or insulate any FTI employee(s) or agent(s) from the penalty of perjury in connection with any sworn statement or testimony given by them in connection with this or any other investigation. FTI understands that it will, at all times, require its employees to give complete, truthful, and accurate information. If any FTI employee falsely implicates an innocent person in the commission of a crime or has exaggerated the involvement of any person in an offense in order to appear cooperative, such persons will be subject to prosecution notwithstanding any provision of this agreement.

B. AGREEMENT BINDS THE UNITED STATES DEPARTMENT OF JUSTICE: This agreement is binding on the United States Department of Justice for the offenses described herein or in Appendix A. Nothing in this agreement shall be construed to prevent the United States or any other person from pursuing civil or administrative actions against FTI arising from these offenses.

C. THE SENTENCING HEARING: FTI understands and agrees that the Government reserves the right to describe fully, both orally and in writing, to the judge who receives FTI's plea, the sentencing judge, and the U.S. Probation Office the nature and seriousness of FTI's misconduct, including misconduct not described in the charge to which it shall plead guilty. FTI further understands and agrees that in exercising this right, the government may consult the appropriate federal regulatory agency regarding the nature and seriousness of its misconduct, and make known the impact of such misconduct upon any victim, agency of the United States government and the public at large.

D. USE OF INFORMATION PROVIDED BY DEFENDANT: FTI understands and agrees that any information it provides pursuant to this agreement shall not be used directly against it as an admission in a federal, state, or local criminal prosecution; however, such information may be used:

1. as proof of the charges to which it shall plead guilty;
2. in connection with any federal, state, or local prosecution of other persons or for investigative leads. In addition, such information may be used without limitation as set forth in subparagraph 3 immediately below.

3. FTI further understands and agrees that if it should fail to fulfill completely each and every one of its obligations under this plea agreement, then the Government will be free from its obligations under the plea agreement and FTI shall be fully subject to criminal prosecution as if this plea agreement had never existed. In any such prosecution, the prosecuting authorities, whether federal, state, or local, shall be free to use against it, without limitation, any and all information, in whatever form, that it has provided pursuant to this plea agreement or otherwise. FTI shall not assert any claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other provision of law, to attempt to bar such use of the information.

E. WAIVER OF THE APPLICABLE STATUTE OF LIMITATIONS: FTI understands and agrees that if the Government should determine that FTI has failed to fulfill completely its obligations under this plea agreement, the Government shall be free to prosecute it for any offense otherwise barred from being prosecuted because of the expiration of the applicable statute of limitations after the

signing of this plea agreement by an attorney for FTI, and an attorney for the Government. Such prosecution must, however, be commenced by Indictment or Information within 180 days after FTI has received written notice from the Government that the plea agreement has been voided.

F. PLEA AGREEMENT TERMS ARE NOT SEVERABLE: That each party will be bound by the Plea Agreement only if all conditions set forth herein are met.

G. PLEA AGREEMENT DOES NOT LIMIT COURT'S SENTENCE: That the United States has made and hereby makes no agreement with FTI or his counsel, concerning sentence, except as herein above set forth.

H. COMPLETE AGREEMENT: The complete plea agreement between FTI and the United States is comprised of this document, Appendix A, the Information, and Factual Resume. No other agreement, understanding, promise, or condition between the Government and FTI exists, nor will such agreement, understanding, promise or condition exist unless it is committed to writing in an amendment and signed by FTI, an attorney for FTI, and an attorney for the Government.

I. EFFECT OF WAIVER OF A TRIAL: FTI understands that by pleading guilty it will waive its rights to: (1) plead not guilty and

require the Government to prove the elements of the offenses charged beyond a reasonable doubt; (2) a speedy and public trial by jury; (3) the assistance of counsel at all stages of trial; (4) confront and cross-examine adverse witnesses; and (5) to present evidence and to have witnesses testify on its behalf.

IV.

**SIGNATURES OF ATTORNEYS FOR
THE DEFENDANT AND THE GOVERNMENT**

A. THE ATTORNEY FOR FTI: I have discussed this plea agreement and Appendix A, as well as the Information, and Factual Resume with the designated employees of FTI. I have reviewed the elements of the charged offenses with the designated employees of FTI. Based on my independent investigation, review of the applicable law, and the representations of FTI's designated employees, I hereby certify that this plea agreement, the Information, Factual Resume accurately and completely set forth the entire plea agreement. This plea agreement was signed by FTI's designated representative only after I answered all the questions of FTI's designated employees concerning this plea agreement, Information, and Factual Resume. I have investigated whether the FTI officer executing this agreement has the legal authority to do so. In my opinion, based on my review of applicable state and federal law, FTI's bylaws,

applicable FTI shareholder agreements, and the resolution of FTI's Board of Directors, the FTI officer executing this agreement and entering FTI's guilty pleas has the authority to do so and thereby binds FTI to perform all of the duties and promises described herein. I concur in FTI's pleading as set forth in this plea agreement.

Dated: 10/27/98


ERIC W. BLOOM


Attorney for the Defendant

B. AUTHORIZED REPRESENTATIVE OF FTI: I, Leonard Keller, Secretary and Director of FTI, hereby certify that I have read this plea agreement and Appendix, as well as the Information, and Factual Resume. I have discussed these documents with FTI's counsel. Based on my independent investigation and consultations with FTI's counsel, I hereby state that this plea agreement, the Information and Factual Resume accurately and completely set forth the entire plea agreement and facts of this case. I concur in FTI's pleading guilty as set forth in this plea agreement. I do this voluntarily and of my own free will.

I further certify that I am a person authorized by law and FTI's bylaws to execute agreements on its behalf. Attached hereto and incorporated herein is the resolution of the FTI's Board of Directors specifically authorizing me to enter into this agreement, to enter guilty pleas on behalf of FTI, and to do all acts necessary to fulfill FTI's agreement herein. I further state: (1) I have had a full opportunity to discuss all the facts and circumstances of this case with FTI's counsel, and have a clear understanding of the charges and the consequences of these pleas; (2) No one has made any promises or offered any rewards in return for FTI's guilty pleas, other than those contained in this agreement; (3) FTI is pleading guilty because in truth and in fact it is guilty; and (4) FTI is satisfied with the legal services provided by its attorneys in connection with this plea agreement and matters related to it.

Dated: _____

10-27-98



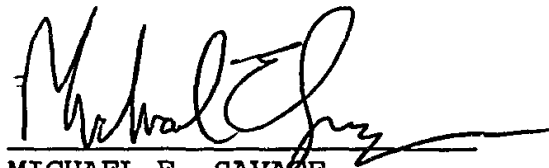
Leonard Keller
Secretary and Director,
Future Tech International, Inc
Defendant

C. ATTORNEY ON BEHALF OF THE UNITED STATES DEPARTMENT OF JUSTICE:

I accept on behalf of United States Department of Justice, FTI's agreement to plead guilty under the conditions set forth herein and based on its and its counsel's affirmation that FTI enters this agreement freely, knowingly, and without reservation and because it is in fact guilty of the offenses charged in the Information.

Dated:

December 17, 1998



MICHAEL E. SAVAGE
Trial Attorney
Campaign Financing Task Force
U.S. Department of Justice

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In THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	\$	
	\$	
vs.	\$	CRIMINAL NO.
	\$	
FUTURE TECH INTERNATIONAL, INC.	\$	
Defendant	\$	

FACTUAL RESUME

IT IS HEREBY STIPULATED, by FUTURE TECH INTERNATIONAL, INC. ("FTI"), defendant herein, by and through its Director and Secretary, with the duly authorized consent of its Board of Directors, that the following are the facts known to the government independent of its cooperation with the United States, are true and correct, and that it unconditionally agrees, with the express consent of its counsel, that this stipulation may be used by the court to determine whether its plea is provident and by the probation officer and court in determining an appropriate sentence for the offenses to which it is pleading guilty:

I.
INTRODUCTION

1. FTI is a closely held corporation headquartered and incorporated in Miami, Florida, engaged primarily in the business of distributing computer components and peripherals primarily to clients in South America. FTI distributes equipment manufactured by leading United States companies.

2. Mark B. Jimenez, (a.k.a. "Mario Batacan Crespo") (hereinafter "Jimenez"), was the Chief Executive Officer ("CEO") and a director of FTI and is presently majority shareholder of FTI.

3. A person known to the government served as FTI's President and oversaw sales and marketing for FTI (hereinafter "FTI's President").

4. A person known to the government served as outside counsel to FTI, from approximately 1994 until January 1996, when he became in-house counsel to FTI and to Mark Vision Holdings, Inc. ("MVH").

5. A person known to the government served as FTI's treasurer and also had control of Jimenez' personal checking account (hereinafter "FTI's Treasurer").

6. A person known to the government who served as FTI's warehouse manager and later as FTI's vice-president for operations was also a relative of Jimenez (hereinafter "FTI's Operations Vice-President").

7. A person known to the government served as FTI's Chief Financial Officer (hereinafter "FTI's CFO"). FTI's CFO was responsible for the executive employees' payroll at FTI.

8. A person known to the government served in FTI's accounting department and was responsible for reporting non-executive payroll (hereinafter "an Accounting Department Employee").

9. Mark Vision Holdings, Inc. ("MVH"), was a company headquartered in the British Virgin Islands. In and around September 1995, MVH opened a branch office in Miami, Florida. Jimenez' daughter was named as the owner of MVH. Jimenez exerted substantial control over the operations of MVH and the disposition of that entity's assets.

10. Mark Vision Computers, Inc. ("MVC"), was a Florida corporation that assembled Mark Vision computer systems. Jimenez' son was named as the owner of MVC. Jimenez exerted substantial control over the operations of MVC. Jimenez' purpose in creating MVC was to help his son qualify for a certain type of immigration status.

11. The Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq. ("FECA"), in particular, Title 2, United States Code, Section 441b(a), specifically prohibited corporations from making contributions or expenditures in connection with the nomination and election of candidates for federal office. Section 441b(a) also forbade any officer of a corporation to consent to a prohibited contribution or expenditure.

12. The FECA, in particular Title 2, United States Code, Section 441a(a)(1), specifically prohibited individuals from contributing more than \$1,000 to any federal candidate for a single election. Section 441a(a)(3) prohibited individuals from making overall annual contributions in excess of \$25,000.

13. The FECA, in particular Title 2, United States Code, Section 441f, specifically prohibited any person from making a contribution in the name of another person or knowingly permitting his or her name to be used to effect such a contribution. Section 441f was violated if a person gave funds to a straw donor, known as a "conduit," for the purpose of having the conduit pass the funds on to a federal candidate as his or

her own contribution. A violation also would occur if a person reimbursed a donor who already had given to a candidate, thereby converting the donor's contribution to his or her own.

14. The FECA, in particular Title 2, United States Code, Section 434, required that each treasurer of a political committee file periodic reports of receipts and disbursements, which reports were to identify each person who made a contribution to such committee during the relevant reporting period whose contribution or contributions had an aggregate amount or value in excess of \$200 within the calendar year, together with the date and the amount of any such contribution.

15. Florida law prohibited making political contributions to state and local campaigns in the name of another. Fla. Stat. Ann. Sec. 106.08(5). The campaign for Metro-Dade County Mayor was covered by this provision.

16. Florida law prohibited making corporate or individual monetary or in-kind contributions to candidates for state and local elected office in excess of \$500. Fla. Stat. Ann. Sec. 106.8(6). The campaign for Metro-Dade County Mayor was covered by this provision.

17. United States Senator Edward M. Kennedy was a candidate for re-election in Massachusetts during the campaign preceding the 1994 federal election. The Committee to Reelect Senator Edward M. Kennedy '94 was a political committee authorized to support his candidacy (the "Kennedy Campaign") and was subject to the

reporting provisions and campaign financing limitations of the FECA.

18. President William Jefferson Clinton and Vice President Albert Gore, Jr., were candidates for the President and Vice President of the United States during the campaign preceding the 1996 federal election. The Clinton/Gore '96 Primary Committee was a political committee authorized to support their candidacies (the "Clinton/Gore Campaign") and was subject to the reporting provisions and campaign financing limitations of the FECA.

19. Thomas L. Strickland was a candidate for United States Senate from Colorado during the campaign preceding the 1996 federal election. Friends of Tom Strickland, Inc. was a political committee authorized to support the candidacy of Thomas L. Strickland (the "Strickland Campaign") and was subject to the reporting provisions and campaign financing limitations of the FECA.

20. Alabama State Senator Roger H. Bedford was a candidate for United States Senate from Alabama during the campaign preceding the 1996 federal election. Roger H. Bedford for U.S. Senate ("Bedford Committee") was a political committee authorized to support the candidacy of Roger H. Bedford, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

21. Arthur Teele was a candidate for the state elected position of executive mayor Dade County, Florida. The Arthur Teele Campaign was a political committee authorized to support the

candidacy of Arthur Teele (the "Teele Campaign") and was subject to Florida state laws governing limits on the source and amount of political contributions.

22. Maurice Ferre was a candidate for the state elected position of executive mayor Dade County, Florida. The Maurice Ferre Campaign was a political committee authorized to support the candidacy of Maurice Ferre (the "Ferre Campaign") and was subject to Florida state laws governing limits on the source and amount of political contributions.

23. Ann Henry was a candidate for the United States House of Representatives from Arkansas during the campaign that preceded the 1996 federal election. Ann Henry for Congress ("Henry Committee") was a political committee authorized to support her candidacy, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

24. Robert G. Torricelli was a candidate for United States Senate from New Jersey during the campaign preceding the 1996 federal election. Torricelli for U.S. Senate, Inc. ("Torricelli Committee"), was a political committee authorized to support the candidacy of Robert Torricelli, and the committee was subject to the reporting provisions and campaign financing limitations of the FECA.

II.

CORPORATE AND CONDUIT CONTRIBUTIONS

25. From at least as early as September of 1994, and continuing until in or about November of 1996, FTI as a matter of corporate policy, through and with the knowledge and consent of its CEO,

President, CFO, Treasurer, and other FTI managers and employees devised and executed a scheme whereby corporate money belonging to FTI would be used to make secret, disguised and illegal corporate campaign contributions to various federal, state, and local candidates and their political committees.

26. In general, FTI's CEO identified candidates that FTI would support and thereafter solicited or instructed others to solicit campaign contributions from numerous conduits, including employees of FTI, MVH and MVC. FTI agreed to reimburse those individuals for their campaign contributions and thereafter used corporate funds from FTI, MVC, or funds drawn on Jimenez' personal bank account to reimburse those individuals and execute the scheme. FTI's and its officers then disguised the use of the corporate funds for this purpose, which is illegal under the FECA, in the books and records of the corporation by coding the reimbursements as employee wages, bonuses, adjustments to regular wages, or other.

27. The 1994-1995 scheme to make illegal corporate campaign contributions discussed above included a scheme to make those reimbursements through the payroll accounts of FTI and MVC. The payroll systems of FTI and MVC were administered by an outside contractor, Automated Data Processing (ADP). The reimbursements to employees for the conduit campaign contributions were disguised on the books and records of FTI and MVC as some form of salary compensation, and FTI issued false Forms W-2 to employees who had contributed to the campaigns and been reimbursed with

corporate funds. Those employees filed their false Forms W-2 with the IRS for the 1994 and 1995 tax years. FTI and MVC also filed false corporate income tax returns, Forms 1120, with the IRS for tax years 1994 and 1995.

28. Beginning in about May 1996, following press scrutiny of FTI's employees' contributions to the Clinton/Gore Committee, FTI's in-house counsel advised FTI's officers that such reimbursed campaign contributions were illegal. Thereafter, FTI modified the manner in which it reimbursed conduits for their contributions to federal, state, and local campaigns. Rather than making the reimbursements through the easily traceable means of the payroll systems at FTI and MVC, FTI's CEO directed FTI's Treasurer to employ an alternative method by which reimbursement would be made in cash to conduit contributors. FTI's Treasurer exchanged checks from Jimenez' personal bank account for cash available at FTI and distributed that cash to conduit campaign contributors as reimbursement for their contributions to federal and state candidates. The express decision of certain FTI officers to alter the reimbursement method from the traceable payroll method to the nearly untraceable cash method was made in an attempt to continue to impede and impair the lawful function of and in an attempt to impair and impede the lawful function of the FEC.

29. Beginning in or about May 1996 until in or about June 1996, certain FTI officers, including Jimenez, caused conduit contributors to the Clinton/Gore '96 campaign to draft or sign

false letters or memoranda indicating one or both of the following false statements: (1) that the employee was not influenced by his employer to contribute to the campaign, and (2) that the employee was not reimbursed by his employer for his contributions to the campaign.

30. FTI caused the political committees that received illegal conduit contributions during this time period and thereafter to make false reports to the FEC. Such committees included the Kennedy Committee, the Clinton/Gore Committee, the Bedford Committee, the Strickland Committee, the Henry Committee, and the Torricelli Committee. The total illegal campaign contributions for all six federal campaigns named in this paragraph was approximately \$39,500.

31. The state and local political committees and candidates that received illegal conduit contributions during the time FTI caused conduits to be reimbursed in cash included Arthur Teele for Metro-Dade Mayor and Maurice Ferre for Metro-Dade Mayor. The total state and local conduit contributions reimbursed with checks cashed at FTI were \$20,500.

A. The Kennedy Campaign:

32. In or about September 1994, FTI's CEO, caused a \$6,000 contribution of FTI's corporate funds to the Kennedy Campaign and disguised that contribution as contributions from other persons.

33. In or about September 1994, FTI's CEO instructed or caused FTI's CFO, Operations Vice-President, Treasurer and another FTI

employee to issue personal checks payable to the Kennedy Campaign in amounts of \$1,000 or \$2,000.

34. On or about September 20, 1994, Jimenez collected or caused to be collected four personal checks totaling \$6,000 from the contributing FTI employees and delivered or caused them to be delivered the Kennedy Campaign.

35. On or about September 27, 1994, Jimenez met with FTI's CFO and others and instructed them to reimburse the persons who wrote checks to the Kennedy campaign through FTI's payroll.

36. On or about September 27, 1994, FTI officer(s), at Jimenez' direction, instructed ADP to generate reimbursement checks for the conduit reimbursements. ADP was instructed to charge FTI's payroll account for an amount large enough to cover contributions to federal payroll withholding tax both for the company and the employee recipients of the reimbursements, such that the "net amount" of the reimbursement checks would be approximately the amount of the employees' conduit contributions. FTI officers coded the reimbursement checks as bonuses on FTI's books and records, which were then passed on to the accountants who prepared FTI's tax returns.

37. FTI, at Jimenez' direction, thereby generated or caused to be generated false 1994 Forms W-2, which were filed with the IRS, for employees who were Kennedy conduit contributors.

38. On or about September 20, 1995, FTI's officers caused FTI to file a false 1994 corporate tax return, Form 1120, by overstating the company's deductible salary expense and reporting as a

legitimate expense non-deductible and illegal corporate campaign contribution.

39. In and around September 1994, when Jimenez approached FTI's CFO and other FTI executives concerning his desire to raise money for the Kennedy Campaign, Jimenez told FTI's CFO that he (Jimenez) was "at his limit." Jimenez meant that he was prohibited by law from making additional contributions directly to the Kennedy Campaign. Therefore, FTI's executive officers knew that it was illegal to contribute FTI's money to political campaigns and to require its employees to make contributions in their names so as to avoid the prohibition against corporate campaign contributions and personal contributions in excess of the FECA limits on the amount of contributions.

B. Clinton/Gore Campaign:

40. In or about July 1995, Jimenez pledged to raise \$25,000 in connection with a fundraising event held at the Sheraton Bal Harbour in Miami, Florida, on September 19, 1995. The event was sponsored by the Clinton/Gore Committee.

41. In or about September 1995, Jimenez informed FTI's CFO, FTI's President and Operations Vice-President that he needed \$25,000 from 25 FTI employees in personal \$1,000 checks. Jimenez instructed certain FTI employees to solicit the checks from employees in their departments and that they would be reimbursed. FTI's CFO and an Accounting Department employee, based on the Jimenez' prior instructions for the Kennedy reimbursements, reimbursed the employees through FTI's and MVC's payroll systems.

42. Between on or about September 6, 1995 and September 8, 1995, Jimenez solicited an FTI employee for a personal check payable to the Clinton/Gore Committee in the amount of \$1,000 and promised to reimburse him for the amount of the contribution.

43. Between on or about September 6, 1995 and September 8, 1995, Jimenez collected or caused to be collected 25 checks payable to the Clinton/Gore Committee in the amount of \$1,000.

44. Between on or about September 6, 1995 and September 8, 1995, FTI's CFO instructed an Accounting Department employee to contact ADP and arrange for FTI and MVC to reimburse 15 non-executive employees who had contributed \$1,000 each to the Clinton/Gore Committee with corporate funds.

45. On or about September 6, 1995, FTI's CFO instructed ADP to reimburse eight executive employees who had contributed \$1,000 each to the Clinton/Gore Committee with corporate funds.

46. Each of the employees solicited for Clinton/Gore contributions was also given a Clinton/Gore "Donor Card," which stated, in part, that "[c]ontributions to the Clinton/Gore [Campaign ...] are subject to the prohibitions and limitations of the Federal Election Campaign Act.".... The FTI and MVC employees were directed to fill out the cards as if they were the donor and not FTI/MVC.

47. On or about September 8, 1995, ADP executed the requested reimbursements to 23 FTI and MVC employees with payroll checks or credits in the net amount of approximately \$1,000. The illegal reimbursements were coded as "bonus" or "other" payments on the

books and records of FTI and MVC in order to conceal the fact of the reimbursements from auditors, lawyers and the IRS.

48. On or about September 13, 1995, Jimenez delivered or caused to be delivered 25 checks in the amount of \$1,000 each payable to the Clinton/Gore Committee.

49. Thereafter, FTI, through Jimenez, FTI's CFO, and an Accounting Department employee, caused the 23 reimbursements to be included in false 1995 Forms W-2 for the 23 contributing employees, which were filed with the IRS.

50. On or about September 17, 1996, FTI's officers caused MVC to file with the IRS a false 1995 Form 1120 for MVC which overstated the amount of deductible salary expense and falsely reported a deduction for an otherwise non-deductible and illegal corporate campaign contribution.


51. On or about April 25, 1997, FTI's officers caused FTI to file with the IRS a false 1995 Form 1120 for FTI which overstated the amount of deductible salary expense and falsely reported a deduction for an otherwise non-deductible and illegal corporate campaign contribution.

52. At all times during the actions of FTI's officers with respect to the Clinton/Gore Campaign, certain FTI officers knew that federal laws regulated contributions to campaigns for federal elected office. FTI's CFO knew and believed that one such federal law limited the amount of money one person could give to a political campaign. FTI's officers understood from their experience with the Kennedy Campaign that Jimenez wanted

FTI employees to contribute money in their names because Jimenez and FTI would be prohibited by federal law from doing so directly. From Jimenez' statements concerning his "limit" during the Kennedy Campaign and the printed disclosure on the Clinton/Gore Donor Card, FTI's officers knew, at the time of FTI's Clinton/Gore Campaign contributions and actions to reimburse Clinton/Gore Campaign contributions, that the substance of Title 2, United States Codes sections 441(b) and 441(f) made FTI's actions unlawful.

C. FALSE LETTERS and CASH CONTRIBUTIONS:

53. In or around May 1996, various FTI employees received telephone calls from newspaper reporters asking about their contributions to the Clinton/Gore campaign. FTI's CFO, Operations Vice-President and other FTI employees advised FTI's In-House Counsel about those phone calls.

54. In response to these calls, Jimenez met with FTI's In-House Counsel, Operations Vice-President and others at FTI. Jimenez decided that certain FTI officers and FTI's In-House Counsel would collect written statements from employees who contributed to the Clinton/Gore Committee which falsely stated that the FTI employee (1) made the Clinton/Gore contribution on his own initiative and without influence from his employer, and (2) had not been reimbursed for his contribution to the Clinton/Gore campaign. 

55. Between about May 8, 1996, and June 27, 1996, certain FTI officers and FTI's In-House Counsel collected the above described

false letters, signed by each of the contributing and reimbursed employees.

56. After public attention was focused on FTI's employees' contributions, FTI, through Jimenez and FTI's Treasurer, instituted a policy of reimbursing employee campaign contributions in cash. FTI's Treasurer would receive a list of employees who were asked to contribute to political candidates' campaigns. FTI's Treasurer would write a check from Jimenez' personal checking account for the aggregate amount of the employees' contributions, verify the payment with Jimenez, and cash the check with FTI's money. FTI's Treasurer then brought the money to each employee, who would initial next to their name to confirm receipt of their reimbursement.

C. The Teele and Ferre Campaigns:

57. Sometime on or before June 13, 1996, FTI and its officers made or caused to be made conduit contributions to candidates for election to the post of Mayor of Metro-Dade County, Florida, and reimbursed those contributions with cash. Such cash was secured through the exchange of Jimenez' personal checks for cash from FTI as described above. The personal checks then were deposited into the corporate account of FTI. Such cash reimbursements were made to conceal the fact of the illegal contributions and reimbursements from the IRS.

58. On or about June 1996, FTI's officers, at Jimenez' direction, solicited contributions from 11 FTI and MVC employees and their spouses in the aggregate amount of \$5,500 for the

Arthur Teele primary election campaign for Metro-Dade Mayor. Each of these employees was told or otherwise understood that they would be reimbursed for their contributions. Jimenez delivered these contributions or caused them to be delivered to the campaign committee of Arthur Teele.

59. On or about July 17, 1996, FTI's Treasurer reimbursed the 11 contributors to the Teele primary campaign in cash with the proceeds from a check drawn on a Jimenez' personal bank account in the amount of \$5,500, which was cashed with currency available at FTI.

60. In or about August 1996, FTI's officers, at Jimenez' direction, solicited contributions from 12 FTI and MVC employees and their spouses in the aggregate amount of \$6,000 for the Maurice Ferre primary election campaign for Metro-Dade Mayor. Jimenez delivered these contributions or caused them to be delivered to the campaign committee of Maurice Ferre.

61. On or about August 9, 1996, FTI's Treasurer reimbursed the 12 contributors to the Ferre primary campaign in cash with the proceeds from a check drawn on Jimenez' personal bank account in the amount of \$6,000, which was cashed with currency available at FTI.

62. On or about September 5, 1996, FTI's officers, at Jimenez' direction, solicited contributions from nine FTI employees and their spouses in the aggregate amount of \$4,500 for the Arthur Teele run-off election campaign for Metro-Dade Mayor. Jimenez

delivered these contributions or caused them to be delivered to the campaign committee of Arthur Teele.

63. On or about September 10, 1996, FTI's Treasurer reimbursed the nine contributors to the Teele run-off campaign in cash with the proceeds from a check drawn on Jimenez' personal bank account in the amount of \$4,500, which was cashed with currency available at FTI.

64. On or about September 20, 1996, FTI's officers, at Jimenez' direction, solicited contributions from an additional nine FTI and MVC employees and their spouses in the aggregate amount of \$4,500 for the Arthur Teele run-off election campaign for Metro-Dade Mayor. Jimenez delivered these contributions or caused them to be delivered to the campaign committee of Arthur Teele.

65. On or about September 25, 1996, FTI's Treasurer reimbursed the additional nine contributors to the Teele run-off campaign in cash with the proceeds from a check drawn on Jimenez' personal bank account in the amount of \$10,500, which was cashed with currency available at FTI.

66. On or about June 21, 1996, FTI employee(s) purchased approximately \$25,000 worth of postage stamps from the United States Postal Service with a MVH check.

67. On or about June 21, 1996, MVH treated the \$25,600 expenditure on its books and records as a deductible business expense, and it was improperly reported as such on the income tax return, Form 1120F, filed on behalf of MVH for the applicable time period.

68. In or about September 1996, FTI employee(s) made a second purchase of \$24,145.92 worth of postage stamps from the United States Postal Service for the benefit of the Arthur Teele campaign with a MVH check.

69. In or about September 1996, MVH treated the \$24,145.92 expenditure on its books and records as a deductible business expense, and it was improperly reported as such on the income tax return, Form 1120 F, filed on behalf of MVH for the applicable time period.

D. The Strickland Campaigns:

70. On or about September 24, 1996, FTI caused FTI's CFO and his wife to make conduit contributions to the Strickland Committee in the total amount of \$2,000.

71. On or about September 25, 1996, FTI's Treasurer reimbursed FTI's CFO with cash from the proceeds of a check drawn on Jimenez' personal account in the amount of \$10,500, which was cashed with currency available at FTI.

72. In or about October of 1996, the Treasurer of the Strickland Committee reported FTI's CFO and his wife as the source of this contribution to the FEC, when it was actually FTI or Jimenez.

E. Bedford for Senate:

73. On or about September 24, 1996, FTI caused one FTI employee and one MVC employee to make conduit contributions, totaling \$4,000, to the Bedford Committee.

74. On or about September 25, 1996, FTI's Treasurer reimbursed the two contributors with cash secured from the proceeds of a

check drawn on Jimenez' personal account in the amount of \$10,500. Such check was cashed with currency available at FTI.

75. On or about October of 1996, the Treasurer of the Bedford Committee reported the source of these contributions to the FEC as the FTI and MVC employees named on the checks, when the contributor was actually FTI or Jimenez.

F. Henry for Congress:

76. On or about October 8, 1996, FTI caused one FTI employee and one MVC employee to make conduit contributions, totaling \$2,000, to the Henry Committee.

77. On or about October 8, 1996, FTI officer(s) collected checks from FTI employees totaling \$2,000 payable to the Henry Committee.

78. On or about October 8, 1996, FTI's Treasurer reimbursed the contributing employees with cash secured from the proceeds of a check drawn on Jimenez' personal account in the amount of \$2,000. Such check was cashed with currency available at FTI.

79. On or about December 2, 1996, the Treasurer of the Henry Committee reported to the FEC the source of the contribution as the persons named on the checks, when the contributor was actually FTI or Jimenez.

G. Torricelli for U.S. Senate:

80. On or about October 29, 1996, FTI caused five persons -- FTI, MVC, and MVH employees -- to make conduit contributions, totaling \$2,500, to the Torricelli Committee.

81. On or about November 1996, FTI employee(s) caused the contributing employees to be reimbursed in cash for their contributions.

III.

FALSE DEDUCTION OF DNC CONTRIBUTION

82. On about March 10, 1994, FTI made a \$100,000 contribution to the Democratic National Committee ("DNC") in the form of two corporate checks in the amount of \$50,000 each.

83. In 1995, FTI caused Deloitte & Touche L.L.P. to prepare its 1994 U.S. Corporate Income Tax Return.

84. The 1994 U.S. Corporate Income Tax Return forwarded by Deloitte & Touche to FTI on about September 14, 1995, reported \$216,438 in charitable contributions, which amount included the \$100,000 DNC contribution.

85. FTI officers reviewing FTI's 1994 Corporate Income Tax Return knew that contributions to political parties did not qualify as a charitable deduction, but that the \$100,000 DNC contribution was nevertheless included as a charitable deduction on FTI's income tax return.

86. FTI officers caused FTI's 1994 Corporate Income Tax Return to be filed knowing that the \$100,000 was improperly included as a charitable deduction in order to avoid the payment of additional tax that FTI would be assessed if the return were corrected to reflect the correct amount of its charitable deductions, which should have been approximately \$116,438.

87. At all times material to this Factual Resume and the Information, FTI willfully and knowingly attempted to evade U.S. corporate income taxes for 1994 and 1995 by deducting false payroll expenses and charitable contributions. FTI admits herein and by its pleas of guilty that such false deductions were the result of knowing and willful conduct by certain officers, employees, and agents; and were not the result of mistake, negligence or inadvertence.

88. FTI further admits that if the false deductions described herein had not been reported, FTI would have had an additional tax due and owing for approximately \$38,265 for 1994 and \$8,781 for 1995.

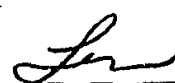
IV.

SIGNATURES AND ACKNOWLEDGMENTS

A. FTI's AUTHORIZED REPRESENTATIVE:

I, Leonard Keller, Secretary and Director of FTI, hereby certify that I have read this Factual Resume. Based on my personal knowledge and/or independent investigation and consultations with FTI's counsel, I hereby state that the Factual Resume and Information accurately and completely set forth the facts of this case.

Dated: 10-5-98



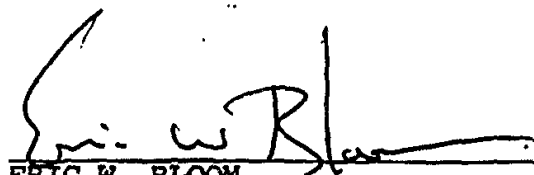
Leonard Keller
Secretary and Director
Future Tech International, Inc
Defendant.

B. DEFENDANT'S COUNSEL'S SIGNATURE AND ACKNOWLEDGMENT

I have read this Factual Resume and have reviewed them with FTI's officers and its director Leonard Keller. I am satisfied that FTI's designated representative understands the Factual Resume and has the authority to execute it on behalf of FTI.

Dated:

10/5/98


ERIC W. BLOOM
Attorney for the Defendant

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

vs.

JUAN M. ORTIZ,
Defendant

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§

CRIMINAL NO.

FACTUAL RESUME

IT IS HEREBY STIPULATED, by JUAN M. ORTIZ ("ORTIZ") defendant herein, that the following are the facts known to the government independent of his cooperation with the United States, are true and correct, and that he understands and agrees, with the express consent of his counsel, that this stipulation may be used by the court to determine whether his plea is provident and by the probation officer and court in determining an appropriate sentence for the offense to which he is pleading guilty:

I.

INTRODUCTION

1. Defendant JUAN M. ORTIZ was the Chief Financial Officer ("CFO") at Future Tech International, Inc. ("FTI"). ORTIZ is a naturalized United States citizen with a college degree and is a licensed certified public accountant. ORTIZ was responsible for the executive employees' payroll at FTI.
2. Mark B. Jimenez, (a.k.a. "Mario Batacan Crespo") (hereinafter "Jimenez"), was the Chief Executive Officer ("CEO") and 80% shareholder of FTI.

3. A person known to the government served as outside counsel to FTI, from approximately 1994 until January 1996, when he became in-house counsel to FTI and to Mark Vision Holdings, Inc. (hereinafter "FTI's In-House Counsel").

4. A person known to the government served as FTI's treasurer and also had control of Jimenez' personal checking account (hereinafter "FTI's Treasurer").

5. A person known to the government who served as FTI's warehouse manager and later as FTI's vice-president for operations was also a relative of Jimenez (hereinafter "FTI's Operations Vice-President").

6. FTI was a closely held corporation headquartered and incorporated in Miami, Florida, that was engaged primarily in the business of distributing computer components and peripherals primarily to clients in South America. FTI distributed equipment manufactured by leading United States companies.

7. Mark Vision Holdings, Inc. ("MVH"), was a company headquartered in the British Virgin Islands. In and around September 1995, MVH opened a branch office in Miami, Florida. A close relative of Jimenez was named as the owner of MVH. Jimenez exerted substantial control over the operations of MVH and the disposition of that entity's assets.

8. Mark Vision Computers, Inc. ("MVC"), was a Florida corporation that assembled Mark Vision computer systems. A close relative of Jimenez was named as the owner of MVC. Jimenez exerted substantial control over the operations of MVC.

9. The Federal Election Campaign Act, Title 2, United States Code, Section 431 et seq. ("FECA"), in particular, Title 2, United States Code, Section 441b(a), specifically prohibited corporations from making contributions or expenditures in connection with the nomination and election of candidates for federal office. Section 441b(a) also forbade any officer of a corporation to consent to a prohibited contribution or expenditure.

10. The FECA, in particular Title 2, United States Code, Section 441a(a)(1), specifically prohibited individuals from contributing more than \$1,000 to any federal candidate for a single election. Section 441a(a)(3) prohibited individuals from making overall annual contributions in excess of \$25,000.

11. The FECA, in particular Title 2, United States Code, Section 441f, specifically prohibited any person from making a contribution in the name of another person or knowingly permitting his or her name to be used to effect such a contribution. Section 441f was violated if a person gave funds to a straw donor, known as a "conduit," for the purpose of having the conduit pass the funds on to a federal candidate as his or her own contribution. A violation also would occur if a person reimbursed a donor who already had given to a candidate, thereby converting the donor's contribution to his or her own.

12. The FECA, in particular Title 2, United States Code, Section 434, required that each treasurer of a political committee file periodic reports of receipts and disbursements, which reports

were to identify each person who made a contribution to such committee during the relevant reporting period whose contribution or contributions had an aggregate amount or value in excess of \$200 within the calendar year, together with the date and the amount of any such contribution.

13. Florida law prohibited making political contributions to state and local campaigns in the name of another. Fla. Stat. Ann. Sec. 106.08(5). The campaign for Metro-Dade County Mayor was covered by this provision.

14. Florida law prohibited making corporate or individual monetary or in-kind contributions to candidates for state and local elected office in excess of \$500. Fla. Stat. Ann. Sec. 106.8(6). The campaign for Metro-Dade County Mayor was covered by this provision.

15. United States Senator Edward M. Kennedy was a candidate for re-election in Massachusetts during the campaign preceding the 1994 federal election. The Committee to Reelect Senator Edward M. Kennedy '94 was a political committee authorized to support his candidacy (the "Kennedy Campaign") and was subject to the reporting provisions and campaign financing limitations of the FECA.

16. President William Jefferson Clinton and Vice President Albert Gore, Jr., were candidates for the President and Vice President of the United States during the campaign preceding the 1996 federal election. The Clinton/Gore '96 Primary Committee was a political committee authorized to support their candidacies

(the "Clinton/Gore Campaign") and was subject to the reporting provisions and campaign financing limitations of the FECA.

17. Thomas L. Strickland was a candidate for United States Senate from Colorado during the campaign preceding the 1996 federal election. Friends of Tom Strickland, Inc. was a political committee authorized to support the candidacy of Thomas L. Strickland (the "Strickland Campaign") and was subject to the reporting provisions and campaign financing limitations of the FECA.

18. Arthur Teele was a candidate for the state elected position of executive mayor Dade County, Florida. The Arthur Teele Campaign was a political committee authorized to support the candidacy of Arthur Teele (the "Teele Campaign") and was subject to Florida state laws governing limits on the source and amount of political contributions.

19. Maurice Ferre was a candidate for the state elected position of executive mayor Dade County, Florida. The Maurice Ferre Campaign was a political committee authorized to support the candidacy of Maurice Ferre (the "Ferre Campaign") and was subject to Florida state laws governing limits on the source and amount of political contributions.

II.

CORPORATE AND CONDUIT CONTRIBUTIONS

A. The Kennedy Campaign:

20. In and around September 1994, Jimenez approached ORTIZ and other FTI executives concerning his desire to raise money for the

Kennedy Campaign. Jimenez told ORTIZ that he (Jimenez) was "at his limit" and wanted ORTIZ, as a favor, to write a personal check for \$2,000 to the Kennedy Campaign, which would be reimbursed. ORTIZ understood Jimenez to mean that he was prohibited by law from making additional contributions directly to the Kennedy Campaign.

21. On about September 19, 1994, ORTIZ wrote his personal check in the amount of \$2,000 payable to the Kennedy Campaign. On about September 23, 1994, ORTIZ was reimbursed \$3,200 in his FTI paycheck for the net amount of his Kennedy Campaign contribution and any taxes that would be due because the reimbursement was labeled a bonus.

B. Clinton/Gore Campaign:

22. In and around September 1995, ORTIZ was told that Jimenez wanted him to make a political contribution by writing a personal check for \$1,000 payable to the Clinton/Gore Campaign. ORTIZ believed, based on his previous experience with the Kennedy Campaign, that Jimenez could not lawfully contribute any more money to the Clinton/Gore Campaign and that he (ORTIZ) would be reimbursed for his contribution, on Jimenez' behalf, to the Clinton/Gore Campaign.

23. On about September 6, 1995, ORTIZ wrote his personal check in the amount of \$1,000 payable to the Clinton/Gore Campaign. At that time he signed a donor card issued by the Clinton/Gore Campaign which stated, in part, that "[c]ontributions to the

Clinton/Gore [Campaign ...] are subject to the prohibitions and limitations of the Federal Election Campaign Act."....

24. Shortly after September 6, 1995, ORTIZ was given a list of approximately 23 FTI and/or MVC employees who were also asked to make personal checks payable to the Clinton/Gore Campaign. ORTIZ then caused these FTI and MVC employees to be reimbursed with FTI funds. ORTIZ caused 8 executive FTI employees, including himself, to be reimbursed by calling ADP, FTI's payroll administrator, and directing ADP's agent to add enough funds to these employees pay checks to net them \$1,000 each after the payment of taxes. ORTIZ directed other FTI and/or MVC employee(s) to do the same for the remaining non-executive FTI and MVC employees who made political contributions to the Clinton/Gore Campaign with the understanding that they would be reimbursed.

25. On about September 8, 1995, ADP executed the reimbursements directed by ORTIZ to approximately 23 FTI and/or MVC employees in payroll checks increased by the net amount of \$1,000. These reimbursements for the employees' political contributions were each coded "bonus" or "other." ORTIZ received his own reimbursement in the same manner.

26. At all times during ORTIZ' actions with respect to the Clinton/Gore Campaign he knew that federal laws regulated contributions to campaigns for federal elected office. ORTIZ knew and believed that one such federal law limited the amount of money one person could give to a political campaign. ORTIZ

understood from his experience with the Kennedy Campaign that Jimenez wanted him (ORTIZ) and other FTI employees to contribute money in their names because Jimenez and FTI would be prohibited by federal law from doing so directly. ORTIZ, therefore, knew at the time of his Clinton/Gore Campaign contribution, and his actions to cause reimbursement of his and other employees' Clinton/Gore Campaign contributions, that doing so violated federal election laws. ORTIZ agrees that he knew, at the time of his Clinton/Gore Campaign contributions and actions to reimburse Clinton/Gore Campaign contributions, that the substance of Title 2, United States Codes sections 441(b) and 441(f) made his actions unlawful. ORTIZ also agrees that the aggregate amount of his contribution and other contributions to the Clinton/Gore Campaign in 1995 which he caused to be reimbursed, exceeded \$2,000. ORTIZ admits that his violations with respect to the Clinton/Gore Campaign were knowing and willful.

27. Sometime after September 8, 1995, but before June 14, 1996, ORTIZ disclosed to FTI's In-House Counsel that FTI and/or MVC had reimbursed political contributions by individual employees as directed by Jimenez. FTI's In-House Counsel confirmed that FTI's and MVC's reimbursement of political contributions made by individual employees at Jimenez' direction were illegal. Thereafter, individual employees' political contributions were reimbursed with cash.

28. In and around May 1996, ORTIZ and other FTI employees were contacted by newspaper reporters who asked questions about the

number of political contributions made by FTI related employees. ORTIZ was directed by FTI's In-House Counsel to write a letter which falsely stated that he (ORTIZ) voluntarily contributed to the questioned political campaigns (i.e. he was never asked by anyone to contribute to the political campaigns) and was not reimbursed for his contributions. ORTIZ wrote such a letter. At FTI's In-House Counsel's direction, ORTIZ solicited the same type of letter from other FTI employees. ORTIZ gave his letter and the other letters he received to FTI's In-House Counsel.

C. The Teele and Ferre Campaigns:

29. On about June 14, 1996, ORTIZ was asked by FTI's Operations Vice-President to write a check for \$500 to the Teele Campaign, understanding that he would be reimbursed. On about June 14, 1996, ORTIZ wrote his personal check in the amount of \$500 payable to the Teele Campaign. On about July 17, 1996, ORTIZ was reimbursed for his contribution to the Teele Campaign with cash which was given to him by FTI's Treasurer.

30. On about August 7, 1996, ORTIZ was asked by FTI's Operations Vice-President to write a check for \$1,000 to the Ferre Campaign, understanding that he would be reimbursed. On about August 7, 1996, ORTIZ wrote his personal check in the amount of \$1,000 payable to the Ferre Campaign. On about August 9, 1996, ORTIZ was reimbursed for his contribution to the Ferre Campaign with cash which was given to him by FTI's Treasurer.

31. On about September 6, 1996, ORTIZ was asked by FTI's Operations Vice-President to write another check for \$1,000 to

the Teele Campaign, understanding that he would be reimbursed. On about September 6, 1996, ORTIZ wrote his personal check in the amount of \$1,000 payable to the Teele Campaign. On about September 24, 1996, ORTIZ was reimbursed for his contribution to the Teele Campaign with cash which was given to him by FTI's Treasurer.

D. The Strickland Campaign:

32. In and around September 1996, ORTIZ was told that Jimenez wanted him to write a personal check for \$2,000 to contribute to the Strickland Campaign. ORTIZ believed, based on his previous experience with his other campaign contributions listed above, that he would be reimbursed. At the time of his payment to the Strickland Campaign, Ortiz believed that Thomas L. Strickland was a candidate for a state office.

33. On about September 24, 1996, ORTIZ wrote his personal check in the amount of \$2,000 payable to the Strickland Campaign. On about September 25, 1996, ORTIZ was reimbursed for his contribution to the Strickland Campaign with cash which was given to him by FTI's Treasurer.

III.

SIGNATURES AND ACKNOWLEDGMENTSA. ORTIZ' SIGNATURE AND ACKNOWLEDGMENT

I have read this Factual Resume and related Information, and have discussed them with my attorney. I fully understand the contents of this Factual Resume and Information and agree without reservation that they accurately describe the events and my acts.

Dated:


10/1/98

JUAN M. ORTIZ
Defendant

B. ATTORNEY FOR JUAN M. ORTIZ: I have read this plea agreement, including the Information and Factual Resume, and have discussed them fully with my client, JUAN M. ORTIZ. They accurately and completely set forth the entire plea agreement and facts of this case. I concur in JUAN M. ORTIZ's pleading as set forth in this plea agreement.

Dated: _____

10-2-98



WILLIAM F. COFFIELD
Attorney for the Defendant

RECEIVED

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

DEC 17 1998

UNITED STATES OF AMERICA

vs.

JUAN M. ORTIZ,
Defendant

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§
§

CRIMINAL NO. 98-1001
JUDY MAYER-WHITTINGTON, CLERK
U.S. DISTRICT COURT

VIOLATIONS:

2 U.S.C. §§ 441f and
437g(d) (Conduit
Contributions)

18 U.S.C. § 2 (Aiding
and Abetting)

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

In or about September 1995, in the Southern District of Florida, and elsewhere, JUAN M. ORTIZ, the Defendant herein, did knowingly and willfully make a contribution and facilitate other contributions within the meaning of Section 431(8) of Title 2 of the United States Code in violation of the prohibition against disguised contributions made through conduits or strawmen contained in the Federal Election Campaign Act of 1971, as amended; to wit, the said Defendant did knowingly and willfully make a contribution to the Clinton/Gore Primary Campaign in the amount of \$1,000 in his name, while knowing that he was not the true source of the contribution, and participated in the reimbursement of eight other conduits or strawmen for their \$1,000 contributions to the Clinton/Gore Primary Campaign, knowing that each of the eight other conduits or strawmen were not the true source of the contributions, said amounts aggregating more than \$2,000 during calendar year 1996, in

violation of Section 441f and Section 437g(d) of Title 2 and
Section 2 of Title 18 of the United States Code.

WILMA A. LEWIS
United States Attorney
District of Columbia



Michael E. Savage
Kenneth M. Breen
Kevin M. Kelcourse
Trial Attorneys
U.S. Department of Justice
Campaign Financing Task Force
1001 G Street, NW
Washington, D.C. 20001
(202) 307-0655

December 17th, 1998

RECEIVED
FEB 7 1979

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

§

§

vs.

§

CRIMINAL NO.

§

JUAN M. ORTIZ,

§

Defendant

§

**PLEA AGREEMENT BETWEEN JUAN M. ORTIZ
AND THE UNITED STATES OF AMERICA**

The United States of America, by and through the United States Department of Justice and JUAN M. ORTIZ ("ORTIZ"), through his counsel of record, William F. Coffield, in compliance with Rule 11(e) of the Federal Rules of Criminal Procedure, hereby acknowledge and agree as follows:

I.

ORTIZ AGREES:

A. PLEA TO THE COUNT OF THE INFORMATION: To enter a plea of guilty to the Count of the Information to be filed in the United States District Court for the District of Columbia, charging him with a violation of Title 2, United States Code, Section 441(f) (permitting use of his name to make a political contribution for another person). ORTIZ acknowledges that he has read the proposed Information and discussed it with his counsel. The

Information to which ORTIZ admits his guilt is incorporated by reference herein and a copy is attached hereto.

B. FACTUAL RESUME: ORTIZ will execute a factual resume that will include a description of all improperly reported conduit contributions made by himself, Mark B. Jimenez, Future Tech International, Inc. and/or Mark Vision Computers to the Kennedy, Clinton/Gore, and Strickland campaigns. The factual resume will admit all the elements of the offenses and include ORTIZ' acknowledgment that it fully and accurately describes his offenses and is true in all respects. The statement will be filed in court with the plea agreement and may be later used by the probation officer and court to determine an appropriate sentence under the Sentencing Guidelines or for whatever other purposes the probation officer and court may deem appropriate.

C. ELEMENTS UNDERSTOOD AND ADMITTED: ORTIZ has fully discussed the facts of this case with his counsel as well as the elements of the offense. ORTIZ has committed each of the elements of the offenses to which he is pleading guilty, and admits that there is a factual basis for these guilty pleas. ORTIZ knowingly, voluntarily and truthfully admits the undisputed facts set forth in the attached Factual Resume.

D. WAIVER OF VENUE AND STATUTE OF LIMITATIONS: ORTIZ understands that the offense alleged in the Information might need to be brought against him in the Southern District of Florida and that 2 U.S.C. § 455 would bar prosecution of it because the date of the violation occurred more than three years before the filing of the Information. In consideration of the government's promises herein, ORTIZ waives venue and the statute of limitations and consents to his prosecution under the Information in the District of Columbia.

E. WAIVER OF RIGHT TO BE PROVIDED WITH EXCULPATORY, IMPEACHMENT, AND AFFIRMATIVE DEFENSE MATERIAL: ORTIZ understands that if he were indicted, the Government would be required to turn over to his attorney any information in its custody that tends to establish his innocence. Furthermore, ORTIZ understands that if this case proceeded to trial, the Government would be required to provide impeachment information relating to any Government witnesses. In addition, if ORTIZ raised an affirmative defense (for example, entrapment or duress), the Government would be required to provide information in its possession that supports such a defense. In return for the Government's promises set forth in this agreement, ORTIZ waives the right to this information, and agrees not to attempt to withdraw his guilty pleas or to file a collateral attack

based on the existence of such information, if any.

F. MAXIMUM PENALTY: ORTIZ understands that the maximum penalty for the criminal violations he is pleading guilty to pursuant to this agreement is one (1) year imprisonment and/or a fine not to exceed \$25,000 or 300% of any unlawful campaign contributions, a period of supervised release, a special assessment of \$100, and restitution.

G. RESTITUTION: ORTIZ agrees to pay restitution to any victims of his offenses as ordered by the Court, regardless of whether such offenses which give rise to such restitution are charged in the Information.

H. SPECIAL ASSESSMENTS: To pay the \$100.00 special assessments required by Title 18, United States Code, Section 3013, to the Clerk of the Court before sentencing.

I. COOPERATION: ORTIZ agrees to fully, completely and honestly cooperate with the United States in its investigation of campaign financing violations and other crimes by giving complete and full interviews to agents of the Departments of Justice and Treasury or other law enforcement and administrative agencies and testimony before federal or state grand juries and during the trial of any persons or entities of this or any related investigation.

J. SENTENCING GUIDELINES: ORTIZ is aware that his sentence will be imposed in accordance with the Sentencing Guidelines and Policy Statements. ORTIZ nonetheless acknowledges and agrees that the Court has jurisdiction and authority to impose any sentence within the statutory maximum set for this offense. ORTIZ has discussed the Sentencing Guidelines with his counsel. ORTIZ understands that his Guideline range cannot be determined until a presentence report has been prepared by the U.S. Probation Office and the parties have had an opportunity to review and challenge the presentence report. ORTIZ also understands that, under some circumstances, the Court may "depart" from the Sentencing Guidelines and impose a sentence more or less severe than that called for under the Guidelines, up to the statutory maximum.

ENCLOSURE
K. WAIVER OF APPEAL: ~~ORTIZ is aware that Title 18, United States Code, Section 3742, affords him the right to appeal his sentence. Knowing that, ORTIZ waives his right to appeal any issue, save and except, issues related to the application of the Sentencing Guidelines by the Court in sentencing ORTIZ or the basis for any upward departure, if any, which the Court might impose in sentencing. In agreeing to this waiver, ORTIZ is aware that his sentence has not yet been determined by the Court. Realizing the~~

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THAN
~~uncertainty, as described above, in estimating what sentence ORTIZ~~
will ultimately receive, ORTIZ knowingly waives his right to appeal
all issues, save and except, those issues specifically identified
herein, in exchange for the concessions made by the Government in
~~this agreement.~~

II.

THE UNITED STATES AGREES:

A. FORBEARANCE: Not to charge ORTIZ with any other criminal violations arising directly or indirectly from this investigation, excepting crimes of violence.

B. TO MAKE ANY COOPERATION BY ORTIZ KNOWN TO THE COURT: The United States will make known to the Court ORTIZ' cooperation and the veracity of his statements in the ongoing investigation. The United States agrees that ORTIZ acceptance of responsibility, thus far, and agreement to this plea is timely and has allowed the government to allocate its resources efficiently. Additionally, in the event it is determined, in accordance with the policies and procedures of the Criminal Division of the Department of Justice, that ORTIZ has provided substantial assistance in the prosecution of other offenders, the United States may move the Court to depart from the guidelines under Section 5K1.1. ORTIZ agrees and

understands that the decision to make such a motion rests solely with the government and that even if such a motion is made, that the Court has sole discretion to grant or deny the motion.

III.

ALL PARTIES AGREE:

A. PERJURED OR FALSE STATEMENTS: That this agreement contemplates the full and honest cooperation of ORTIZ at all times, and that this agreement does not immunize or insulate ORTIZ from the penalty of perjury in connection with any sworn statement or testimony given by him in connection with this as any other investigation. ORTIZ understands that he will, at all times, give complete, truthful, and accurate information and testimony. He understands that if he has falsely implicated an innocent person in the commission of a crime or has exaggerated the involvement of any person in an offense in order to appear cooperative, such false accusations will be in violation of this agreement.

B. AGREEMENT BINDS THE UNITED STATES DEPARTMENT OF JUSTICE: This agreement is binding on the United States Department of Justice for the offenses described herein. Nothing in this agreement shall be construed to prevent the United States or any other person from pursuing civil or administrative actions against ORTIZ arising from these offenses.

C. THE SENTENCING HEARING: ORTIZ understands and agrees that the Government reserves the right to describe fully, both orally and in writing, to the judge who receives ORTIZ's plea, the sentencing judge, the U.S. Probation Office, and the Bureau of Prisons the nature and seriousness of ORTIZ misconduct, including misconduct not described in the charge to which he shall plead guilty. ORTIZ further understands and agrees that in exercising this right, the government may consult the appropriate federal regulatory agency regarding the nature and seriousness of his misconduct, and make known the impact of such misconduct upon any financial institution, agency of the United States government and the public at large.

D. USE OF INFORMATION PROVIDED BY ORTIZ: ORTIZ understands and agrees that any information he provides pursuant to this agreement shall not be used directly against him as an admission in a federal, state, or local criminal prosecution; however, such information may be used:

1. as proof of the charges to which he shall plead guilty;
2. by probation officials and the sentencing judge, except that, pursuant to U.S.S.G. § 1B1.8, any information provided by ORTIZ pursuant to or in contemplation of this agreement may not be used to increase ORTIZ sentence;

3. in connection with any federal, state, or local prosecution of other persons or for investigative leads. In addition, such information may be used without limitation as set forth in subparagraph 4 immediately below.

4. ORTIZ further understands and agrees that if he should fail to fulfill completely each and every one of his obligations under this plea agreement, then the Government will be free from its obligations under the plea agreement and ORTIZ shall be fully subject to criminal prosecution as if this plea agreement had never existed. In any such prosecution, the prosecuting authorities, whether federal, state, or local, shall be free to use against him, without limitation, any and all information, in whatever form, that he has provided pursuant to this plea agreement or otherwise. ORTIZ shall not assert any claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other provision of law, to attempt to bar such use of the information.

E. WAIVER OF THE APPLICABLE STATUTE OF LIMITATIONS: ORTIZ understands and agrees that if the Government should determine that

he has failed to fulfill completely his obligations under this plea agreement, the Government shall be free to prosecute him for any offense otherwise barred from being prosecuted because of the expiration of the applicable statute of limitations after the signing of this plea agreement by an attorney for ORTIZ, and an attorney for the Government. Such prosecution must, however, be commenced by Indictment or Information within 180 days after ORTIZ has received written notice from the Government that the plea agreement has been voided.

F. PLEA AGREEMENT TERMS ARE NOT SEVERABLE: That each party will be bound by the Plea Agreement only if all conditions set forth herein are met.

G. PLEA AGREEMENT DOES NOT LIMIT COURT'S SENTENCE: That the United States has made and hereby makes no agreement with ORTIZ or his counsel, concerning sentence, except as herein above set forth.

H. COMPLETE AGREEMENT: The complete plea agreement between ORTIZ and the United States is comprised of this document, the Information and Factual Resume. No other agreement, understanding, promise, or condition between the Government and ORTIZ exists, nor will such agreement, understanding, promise or condition exist unless it is committed to writing in an amendment attached to this

document and signed by ORTIZ, an attorney for ORTIZ, and an attorney for the Government.

I. EFFECT OF WAIVER OF A TRIAL: ORTIZ understands that by pleading guilty he will waive his rights to: (1) plead not guilty and require the Government to prove the elements of the offenses charged beyond a reasonable doubt; (2) a speedy and public trial by jury; (3) the assistance of counsel at all stages of trial; (4) confront and cross-examine adverse witnesses; (5) present evidence and to have witnesses testify on his behalf; and (6) not testify or have any adverse inferences drawn from the failure to testify.

IV.

SIGNATURES OF THE DEFENDANT,
AND ATTORNEYS FOR THE DEFENDANT AND THE GOVERNMENT

A. JUAN M. ORTIZ, DEFENDANT: I have read this plea agreement, including the Information and Factual Resume, and have discussed it with my attorney. I fully understand the plea agreement and accept and agree to it without reservation. I do this voluntarily and of my own free will. I further affirm as follows:

1. I have had a full opportunity to discuss all the facts and circumstances of this case with my counsel, and have a clear understanding of the

charges and the consequences of these pleas;

2. No one has made any promises or offered any rewards in return for my guilty plea, other than those contained in this agreement;
3. No one has threatened me or my family to induce my guilty plea;
4. I am pleading guilty because in truth and in fact I am guilty; and
5. I am satisfied with the legal services provided by my attorney in connection with this plea agreement and matters related to it.

Dated: _____


10/22/98



JUAN M. ORTIZ
Defendant

B. ATTORNEY FOR JUAN M. ORTIZ: I have read this plea agreement, including the Information and Factual Resume, and have discussed them fully with my client, JUAN M. ORTIZ. They accurately and completely set forth the entire plea agreement and facts of this case. I concur in JUAN M. ORTIZ's pleading as set forth in this plea agreement.


Dated: 10-26-98


WILLIAM F. COFFIELD
Attorney for the Defendant

C. ATTORNEYS ON BEHALF OF THE UNITED STATES DEPARTMENT OF

JUSTICE: I accept on behalf of the United States Department of Justice, JUAN M. ORTIZ' agreement to plead, guilty under the conditions set forth herein and based on his and his counsel's affirmation that JUAN M. ORTIZ enters this agreement freely, knowingly, and without reservation and because he is in fact guilty of the offenses charged in the Information.

Dated: December 17, 1998



MICHAEL E. SAVAGE
Trial Attorney
Campaign Financing Task Force
United States Department of Justice